

S.221

An act relating to providing statutory purposes for tax expenditures

It is hereby enacted by the General Assembly of the State of Vermont:

Sec. 1. 16 V.S.A. § 2826 is added to read:

§ 2826. STATUTORY PURPOSES

(a) The statutory purpose of the exemption for interest income from Vermont Student Assistance Corporation (VSAC) bonds in section 2825 of this title is to lower the cost of borrowing in order to finance education loan programs.

(b) The statutory purpose of the exemption for Vermont Student Assistance Corporation property tax in section 2825 of this title is to allow State instrumentalities that provide financial and information resources for postsecondary education and training to use all of their resources for those purposes.

Sec. 2. 30 V.S.A. § 8060(c) is added to read:

(c) The statutory purpose of the exemption for Vermont Telecommunications Authority (VTA) bonds and notes in section 8074 of this title is to lower the cost of borrowing in order to finance the expansion of broadband access across the State.

Sec. 3. 32 V.S.A. § 5813 is added to read:

§ 5813. STATUTORY PURPOSES

(a) The statutory purpose of the exemption for Vermont municipal bond income in subdivision 5811(21)(A)(i) of this title is to lower the cost of borrowing in order to finance State and municipal projects.

(b) The statutory purpose of the Vermont flat capital gains exclusion in subdivision 5811(21)(B)(ii) of this title is intended to increase savings and investment by making the effective tax rate on capital gains income lower than the effective tax rate on earned income while exempting a portion of the gain that may represent inflation. The 40 percent business capital gains exclusion mitigates the impact of one-time realizations in a progressive tax structure.

(c) The statutory purpose of the Vermont credit for child and dependent care in subsection 5822(d) of this title is to provide financial assistance to employees who must incur dependent care expenses to stay in the workforce in the absence of prekindergarten programming.

(d) The statutory purpose of the Vermont credit for persons who are elderly or disabled in subsection 5822(d) of this title is to provide financial assistance to seniors and persons who are disabled with little tax-exempt retirement or disability income.

(e) The statutory purpose of the Vermont investment tax credit in subsection 5822(d) of this title is to encourage Vermont business investments by lowering the effective costs of certain activities.

(f) The statutory purpose of the Vermont farm income averaging credit in subdivision 5822(c)(2) of this title is to mitigate the adverse tax consequences of fluctuating farm incomes under a progressive tax structure and to provide stability to farm operations.

(g) The statutory purpose of the exemption for military pay in subdivisions 5823(a)(2) and (b)(3) of this title is to provide additional compensation for military personnel in recognition of their service to Vermont and to the country.

(h) The statutory purpose of the Vermont charitable housing credit in section 5830c of this title is to enable lower capital cost to certain affordable housing charities by restoring some of the forgone investment income through a tax credit to the investor.

(i) The statutory purpose of the Vermont affordable housing credit in section 5930u of this title is to increase the capital available to certain affordable housing projects for construction or rehabilitation by attracting up-front private investment.

(j) The statutory purpose of the Vermont qualified sale of a mobile home park credit in section 5828 of this title is to encourage sales of mobile home

parks to a group composed of a majority of the mobile home park leaseholders, or to a nonprofit organization that represents such a group, and, in doing so, to provide stability to the inhabitants of such mobile home parks.

(k) The statutory purpose of the Vermont higher education investment credit in section 5825a of this title is to encourage contributions to Vermont 529 plans that would not otherwise occur and to lower the cost of higher education for Vermont students and the Vermont taxpayers who financially support them.

(l) The statutory purpose of the Vermont entrepreneurs' seed capital fund credit in section 5830b of this title is to provide incentives for investment in the Seed Capital Fund, ensuring it has sufficient capital to make equity investments in Vermont businesses.

(m) The statutory purpose of the Vermont historical rehabilitation tax credit in subsection 5930cc(a) of this title is to provide incentives to improve and rehabilitate historic properties in designated downtowns and village centers.

(n) The statutory purpose of the Vermont facade improvement tax credit in subsection 5930cc(b) and sections 5930aa–5930ff of this title is to provide incentives to improve facades and rehabilitate historic properties in designated downtowns and village centers.

(o) The statutory purpose of the Vermont code improvement tax credit in subsection 5930cc(c) and sections 5930aa–5930ff of this title is to provide

incentives to improve and rehabilitate historic properties in designated downtowns and village centers.

(p) The statutory purpose of the Vermont research and development tax credit in section 5930ii of this title is to encourage business investment in research and development within Vermont and to attract and retain intellectual-property-based companies.

(q) The statutory purpose of the Vermont downtown tax credits in sections 5930n–5930r of this title is to provide incentives to improve and rehabilitate historic properties in designated downtowns and village centers.

(r) The statutory purpose of the Vermont low-income child and dependent care tax credit in section 5828c of this title is to provide cash relief to lower-income employees who incur dependent care expenses in certified centers to enable them to remain in the workforce.

(s) The statutory purpose of the Vermont earned income tax credit in section 5828b of this title is to provide incentives for low-income working families and individuals and to offset the effect on these Vermonters of conventionally regressive taxes.

(t) The statutory purpose of the Vermont machinery and equipment tax credit in section 5930ll of this title is to provide an incentive to make a major, long-term capital investment in Vermont-based plants and property to ensure the continuation of in-state employment.

(u) The statutory purpose of the Vermont employment growth incentive in section 5930b of this title is to provide a cash incentive to encourage quality job growth in Vermont.

(v) The statutory purpose of the Vermont Downtown and Village Center Program tax credits in section 5930cc of this title is to provide incentives to improve and rehabilitate historic properties in designated downtowns and village centers.

\* \* \* Meals and Rooms Taxes and Insurance

Premium Taxes \* \* \*

Sec. 4. 32 V.S.A. § 9247 is added to read:

§ 9247. HOSPITAL AND MEDICAL SERVICE CORPORATIONS AND  
CREDIT UNIONS

Notwithstanding 8 V.S.A. §§ 4518, 4590, and 30901, hospital service corporations, medical service corporations, and credit unions shall be subject to the meals and rooms tax. The statutory purpose of the remaining exemptions in 8 V.S.A. § 4518 is to lower the cost of health services to Vermonters. The statutory purpose of the remaining exemptions in 8 V.S.A. § 4590 is to lower the cost of health services to Vermonters. The statutory purpose of the remaining exemptions in 8 V.S.A. § 30901 is to affirm the nonprofit, cooperative structure of credit unions.

Sec. 5. 32 V.S.A. § 9201 is added to read:

§ 9201. STATUTORY PURPOSES

(a) The statutory purpose of the exemption for grocery-type items furnished for take-out in subdivision 9202(10)(D)(i) of this title is to limit the cost of goods that are necessary for the health and welfare of all people in Vermont.

(b) The statutory purpose of the exemption for meals served or furnished on the premises of a nonprofit organization in subdivision 9202(10)(D)(ii)(I) of this title is to allow more of the revenues generated by certain activities to be dedicated to furthering the public-service missions of the organizations.

(c) The statutory purpose of the exemption for meals provided on school premises in subdivision 9202(10)(D)(ii)(II) of this title is to reduce the overall cost of education in Vermont.

(d) The statutory purpose of the exemption for meals provided at hospitals and convalescent and nursing homes in subdivision 9202(10)(D)(ii)(IV) of this title is to reduce the overall costs of health care and senior care in Vermont.

(e) The statutory purpose of the exemption for summer camps for children in subdivision 9202(10)(D)(ii)(VI) of this title is to reduce the cost of summer education and outdoor activities for youth.

(f) The statutory purpose of the exemption for nonprofits at fairs, bazaars, picnics, and similar events in subdivision 9202(10)(D)(ii)(VII) of this title is to

allow more of the revenues generated by certain activities to be dedicated to furthering the public-service missions of the organizations.

(g) The statutory purpose of the exemption for meals furnished to an employee of a hotel or restaurant operator as remuneration for his or her employment in subdivision 9202(10)(D)(ii)(VIII) of this title is to avoid the taxation of in-kind benefits.

(h) The statutory purpose of the exemption for meals served on the premises of a continuing care retirement community in subdivision 9202(10)(D)(ii)(XI) is to exclude meals prepared in a person's home from taxation.

(i) The statutory purpose of the exemption for student housing in subdivision 9202(8) of this title is to reduce the overall costs of education in Vermont.

(j) The statutory purpose of the exemption for rooms furnished to an employee of a hotel or restaurant operator as remuneration for his or her employment in subdivision 9202(6) of this title is to exclude the taxation of in-kind benefits.

(k) The statutory purpose of the exemption for summer camps for children in subdivision 9202(6) of this title is to reduce the cost of summer education and outdoor activities for youth.



(l) The statutory purpose of the exemption for rooms on the premises of a nonprofit in subdivision 9202(3)(C) of this title is to allow more of the revenues generated by certain activities to be dedicated to furthering the public-service missions of the organizations.

(m) The statutory purpose of the exemption for rooms on the premises of a continuing care retirement community in subdivision 9202(3)(D) of this title is to exclude from taxation rooms that are a person's residence.

\* \* \* Sales Taxes \* \* \*

Sec. 6. 32 V.S.A. § 9706 is added to read:

§ 9706. STATUTORY PURPOSES

(a) The statutory purpose of the exemption for medical products in subdivision 9741(2) of this title is to lower the cost of medical products in order to support the health and welfare of Vermont residents.

(b) The statutory purpose of the exemption for agricultural inputs in subdivision 9741(3) of this title is to promote Vermont's agricultural economy.

(c) The statutory purpose of the exemption for veterinary supplies in subdivision 9741(3) of this title is to lessen the cost of veterinary services in order to support the health and welfare of Vermont animals.

(d) The statutory purpose of the exemption for fuels for railroads and boats in subdivision 9741(7) of this title is to avoid the taxation of fuels for the types of transportation for which public expenditure on infrastructure is unnecessary.

(e) The statutory purpose of the exemption for sales of food in subdivision 9741(13) of this title is to limit the cost of goods that are necessary for the health and welfare of all people in Vermont.

(f) The statutory purpose of the exemption for newspapers in subdivision 9741(15) of this title is to reduce the cost of access to news and community information for people in Vermont.

(g) The statutory purpose of the exemption for rentals of coin-operated washing facilities in subdivision 9741(19) of this title is to exclude from taxation facilities that are still operated with coins.

(h) The statutory purpose of the exemption for admission fees to nonprofit museums in subdivision 9741(20) of this title is to support the missions of certain nonprofit facilities and encourage higher visitation.

(i) The statutory purpose of the exemption for items sold to fire, ambulance, and rescue squads in subdivision 9741(21) of this title is to limit the tax on organizations charged with protecting the safety of the public.

(j) The statutory purpose of the exemption for funeral charges in subdivision 9741(22) of this title is to lessen the costs accumulated by the bereaved.

(k) The statutory purpose of the exemption for commercial, industrial, or agricultural research tangible personal property use in subdivision 9741(24) of

this title is to reduce financial barriers to research and innovation in the commercial, industrial, and agricultural industries.

(l) The statutory purpose of the exemption for agricultural machinery and equipment in subdivision 9741(25) of this title is to promote Vermont's agricultural economy.

(m) The statutory purpose of the exemption for energy purchases for a residence in subdivision 9741(26) of this title is to limit the cost of goods that are necessary for the health and welfare of Vermonters.

(n) The statutory purpose of the exemption for energy purchases for farming in subdivision 9741(27) of this title is to promote Vermont's agricultural economy.

(o) The statutory purpose of the exemption for sales of films to movie theaters in subdivision 9741(28) of this title is to avoid double taxation.

(p) The statutory purpose of the exemption for aircraft and depreciable parts for commercial and private use in subdivision 9741(29) of this title is to promote the growth of the aircraft maintenance industry in Vermont by lowering the cost of parts and equipment relative to other states with private airplane maintenance facilities.

(q) The statutory purpose of the exemption for railroad rolling stock and depreciable parts in subdivision 9741(30) of this title is to increase the use of rail for transport.

(r) The statutory purpose of the exemption for ferryboats and depreciable parts in subdivision 9741(31) of this title is to increase the use of ferries for transport.

(s) The statutory purpose of the exemption for sales of mobile homes and modular housing in subdivision 9741(32) of this title is to create equity between mobile and modular housing and traditional residential construction by providing an exemption for the estimated portion of the cost attributable to labor (versus materials).

(t) The statutory purpose of the exemption for the United States flag sold to or by exempt veterans' organizations in subdivision 9741(33) of this title is to support veterans' organizations in performing their traditional functions.

(u) The statutory purpose of the exemption for property transferred as an incidental part of a personal service transaction or transfer of intangible property rights in subdivision 9741(35) of this title is to forgo taxation when the cost of compliance exceeds the revenues.

(v) The statutory purpose of the exemption for advertising materials in subdivision 9741(36) of this title is to exclude tangible personal property from taxation if it is incidental to a larger service.

(w) The statutory purpose of the exemption for documents that record a professional service in subdivision 9741(37) of this title is to exclude tangible personal property from taxation if it is incidental to a service package.

(x) The statutory purpose of the tracked vehicles cap in subdivision 9741(38) of this title is to lessen the cost of capital investments.

(y) The statutory purpose of the exemption for sales of building materials in subdivisions 9741(39) of this title is to provide incentives to restore and revitalize downtown districts.

(z) The statutory purpose of the exemption for third party scrap construction materials in subdivision 9741(43) of this title is to promote the reuse and recycling of scrap construction materials.

(aa) The statutory purpose of the exemption for property incorporated in a railroad line in subdivision 9741(44) of this title is to increase the use of rail for transport by lowering the costs of materials.

(bb) The statutory purpose of the exemption for clothing and footwear in subdivision 9741(45) of this title is to limit the tax burden on the purchase of goods that are necessary for the health and welfare of all people in Vermont.

(cc) The statutory purpose of the exemptions for property incorporated into a net metering system, on-premise energy systems not connected to the electric distribution system, and solar hot water heating systems in subdivision 9741(46) of this title are to increase the deployment of solar technologies until the price of solar materials and installation decreases to the point it does not need State subsidization.

(dd) The statutory purpose of the exemption for purchases by and limited purchases from 501(c)(3) organizations in subdivision 9743(3) of this title is to reduce costs for certain nonprofit organizations in order to allow them to dedicate more of their financial resources to furthering the public-service missions of the organizations.

(ee) The statutory purpose of the exemption for building materials and supplies used in construction or repair of buildings by governmental bodies, 501(c)(3) organizations, or development corporations in subdivision 9743(4) of this title is to reduce the costs of construction for certain nonprofit organizations in order to allow them to dedicate more financial resources to their public-service missions.

(ff) The statutory purpose of the exemption for amusement charges for four events per year for 501(c)(4)–(13) and (19) organizations and political organizations in subdivision 9743(5) of this title is to reduce the costs for and encourage participation in a limited number of events organized by certain nonprofit organizations in order to allow these organizations to dedicate more financial resources to their public-service missions.

(gg) The statutory purpose of the exemption for amusement charges for events presented by 501(c)(3) organizations in subdivision 9743(7) of this title is to reduce the costs for and encourage participation in fundraising events organized by certain nonprofit organizations in order to allow these

organizations to dedicate more financial resources to their public-service missions.

(hh) The statutory purpose of the reallocation of receipts from tax imposed on sales of construction materials in section 9819 of this title is to provide incentives to restore and revitalize certain properties in designated downtown districts.

(ii) The statutory purpose of the exemption for sales by licensed auctioneers in subdivision 9741(48) of this title is to extend the “casual sale” exemption to sales involving an auctioneer selling on behalf of a third party.

\* \* \* Property Taxes \* \* \*

Sec. 7. 10 V.S.A. § 210 is added to read:

§ 210. STATUTORY PURPOSES

The statutory purpose of the exemption for local development corporations in section 236 of this title is to promote economic development.

Sec. 8. 10 V.S.A. § 602 is added to read:

§ 602. STATUTORY PURPOSES

The statutory purpose of the exemption for the Vermont Housing Finance Agency in subsection 641(a) of this title is to provide and promote affordable housing.

Sec. 9. 16 V.S.A. § 2170 is added to read:

§ 2170. STATUTORY PURPOSES

The statutory purpose of the exemption for the Vermont State Colleges in section 2178 of this title is to allow institutions providing higher education to deploy more of their financial resources to their educational missions.

Sec. 10. 16 App. V.S.A. § 1-15a is added to read:

§ 1-15a. STATUTORY PURPOSES

The statutory purpose of the exemption for the University of Vermont in section 1-15 of this chapter is to allow institutions providing higher education to deploy more of their financial resources to their educational missions.

Sec. 11. 18 V.S.A. § 5300 is added to read:

§ 5300. STATUTORY PURPOSES

The statutory purpose of the exemption for cemeteries in sections 5317 and 5376 of this title is to lower the cost of establishing and maintaining cemeteries.

Sec. 12. 22 V.S.A. § 68 is added to read:

§ 68. STATUTORY PURPOSES

The statutory purpose of the exemption for libraries in section 109 of this title is to aid libraries in offering free and public access to information and research resources.



Sec. 13. 24 V.S.A. § 4000 is added to read:

§ 4000. STATUTORY PURPOSES

The statutory purpose of the exemption for housing authorities in section 4020 of this title is to promote, provide, and preserve affordable housing.

Sec. 14. 32 V.S.A. § 3750 is added to read:

§ 3750. STATUTORY PURPOSES

The statutory purpose of the Vermont Use Value Appraisal Program in chapter 124 of this title is to preserve the working landscape and the rural character of Vermont.

Sec. 15. 32 V.S.A. § 3800 is added to read:

§ 3800. STATUTORY PURPOSES

(a) The statutory purpose of the exemption for congressionally chartered organizations in subdivision 3802(2) of this title is to support certain organizations with a patriotic, charitable, historical, or educational purpose.

(b) The statutory purpose of the exemption for public, pious, and charitable property in sections 3832 and 3840 and subdivision 3802(4) of this title is to allow these organizations to dedicate more of their financial resources to furthering their public-service missions.

(c) The statutory purpose of the exemption for college fraternities and societies in subdivision 3802(5) of this title is to provide a tax benefit to college fraternities and societies.

(d) The statutory purpose of the exemption for Young Men's and Women's Christian Associations in subdivision 3802(6) of this title is to allow these organizations to dedicate more of their financial resources to furthering their public-service missions.

(e) The statutory purpose of the exemption for cemeteries in subdivision 3802(7) of this title is to lower the cost of establishing and maintaining cemeteries.

(f) The statutory purpose of the exemption for property owned by agricultural societies in subdivision 3802(9) of this title is to lower the cost of public access to agricultural events.

(g) The statutory purpose of the exemption for \$10,000.00 of appraised value of a residence for a veteran in subdivision 3802(11) of this title is to recognize disabled veterans' service to Vermont and to the country.

(h) The statutory purpose of the exemption for property exclusively installed and operated for the abatement of water pollution in subdivision 3802(12) of this title is to encourage real property improvements that abate water pollution by nonpublic entities that would not qualify for an exemption as a government entity.

(i) The statutory purpose of the exemption for humane societies in subdivision 3802(15) of this title is to lower operating costs for organizations

that protect animals to allow them to dedicate more of their financial resources to furthering their public-service missions.

(j) The statutory purpose of the exemption for federally qualified health centers or rural health clinics in subdivision 3802(16) of this title is to support health centers that serve an underserved area or population, offer a sliding fee scale, provide comprehensive services, and have an ongoing quality assurance program.

(k) The statutory purpose of the railroad property alternative tax method in subdivision 3803(1) of this title is to provide an alternative to the traditional valuation method in order to achieve consistency across municipalities.

(l) The statutory purpose of the telephone property alternative tax method referenced in subdivision 3803(2) of this title is to provide an alternative to the traditional valuation method in order to achieve consistency across municipalities.

(m) The statutory purpose of the exemptions in Vermont permanent session law in 2008 Acts and Resolves No. 190, 1892 Acts and Resolves No. 213, 1945 Acts and Resolves No. 204, 1939 Acts and Resolves No. 250, 1921 Acts and Resolves No. 31, 1921 Acts and Resolves No. 262, 1910 Acts and Resolves No. 370, and 1900 Acts and Resolves No. 244 is to provide relief to specific properties that have demonstrated an individual purpose to the General Assembly.

Sec. 16. 32 V.S.A. § 5400 is added to read:

§ 5400. STATUTORY PURPOSES

(a) The statutory purpose of the exemption for whey processing fixtures in subdivision 5401(10)(G) of this title is to support industries using whey processing facilities to convert waste into value-added products.

(b) The statutory purpose of the exemption for municipalities hosting large power plants in subsection 5402(d) of this title is to compensate businesses and residents of the community hosting a nuclear power facility.

(c) The statutory purpose of the exemption for qualified housing in subdivision 5404a(a)(6) of this title is to ensure that taxes on this rent restricted housing provided to low- and moderate-income Vermonters are more equivalent to property taxed using the State homestead rate and to adjust the costs of investment in rent restricted housing to reflect more accurately the revenue potential of such property.

(d) The statutory purpose of the tax increment financing districts in subsection 5404a(f) of this title is to allow communities to encourage investment and improvements that would not otherwise occur and to use locally the additional property tax revenue attributable to those investments to pay off the debt incurred to construct the improvements.

(e) The statutory purpose of the Vermont Economic Progress Council approved stabilization agreements in section 5404a of this title is to provide

exemptions on a case-by-case basis in conjunction with other economic development efforts in order to facilitate economic development that would not otherwise occur.

(f) The statutory purpose of the large power plants alternative tax method in subdivision 5401(10)(B) of this title is to provide an alternative to the traditional valuation method for a unique property.

(g) The statutory purpose of the wind-powered electric generating facilities alternative tax scheme in subdivision 5401(10)(J)(i) of this title is to provide an alternative to the traditional valuation method in order to achieve consistent valuation across municipalities.

(h) The statutory purpose of the renewable energy plant generating electricity from solar power alternative tax structure in subdivision 5401(10)(J)(ii) is to provide an alternative to the traditional valuation method in order to achieve consistent valuation across municipalities.

\* \* \* Insurance Premium Taxes \* \* \*

Sec. 17. 8 V.S.A. § 3700 is added to read:

§ 3700. STATUTORY PURPOSES

The statutory purpose of the exemption for annuity considerations in section 3718 of this title is to avoid reciprocity from other states.

Sec. 18. 8 V.S.A. § 4460 is added to read:

§ 4460. STATUTORY PURPOSES

The statutory purpose of the exemption for fraternal societies in section 4500 of this title is to support benevolent societies that provide benefits to members and to the community.

\* \* \* Transportation Taxes \* \* \*

Sec. 19. 23 V.S.A. § 3000 is added to read:

§ 3000. STATUTORY PURPOSES

The statutory purpose of the exemption for diesel tax in section 3003 of this title is to relieve off-road uses and farm truck uses from the user fee for the State highway system.

Sec. 20. 32 V.S.A. § 8900 is added to read:

§ 8900. STATUTORY PURPOSES

(a) The statutory purpose of the exemption for pious or charitable institutions or volunteer fire companies in subdivision 8911(3) of this title is to lower the operating costs of pious and charitable organizations considered exempt under subdivision 3802(4) of this title to allow them to dedicate more of their financial resources to furthering their public-service missions.

(b) The statutory purpose of the exemption for nonregistered vehicles in subdivision 8911(5) of this title is to exclude from the tax vehicles that are not entitled to use the State highway system.

(c) The statutory purpose of the exemption for gifts in subdivision 8911(8) of this title is to avoid the intrusion of a tax into sharing transactions that are common within families.

(d) The statutory purpose of the exemption for persons with disabilities in subdivision 8911(12) of this title is to lessen the cost of purchasing a vehicle that has been modified to meet the physical needs of a qualifying Vermonter.

(e) The statutory purpose of the exemption for veterans in subdivision 8911(14) of this title is to remove every cost to a qualifying veteran receiving a vehicle granted by the Veterans' Administration.

(f) The statutory purpose of the general exemption of trade-in value in subdivisions 8902(4) and (5) of this title is to ensure the use value of a vehicle is taxed only once.

\* \* \* Tax Expenditure Report \* \* \*

Sec. 21. 32 V.S.A. § 312 is amended to read:

§ 312. TAX EXPENDITURE REPORT

(a) As used in this section, “tax expenditure” shall mean the actual or estimated loss in tax revenue resulting from any exemption, exclusion, deduction, ~~or~~ credit, preferential rate, or deferral of liability applicable to the tax. Tax expenditures shall not include the following:

(1) revenue outside the taxing power of the State;

(2) provisions outside the normal structure of a particular tax;

(3) revenue forgone as unduly burdensome to administer; and

(4) for the purpose of avoiding government taxing itself.

(b) Tax expenditure reports. Biennially, as part of the budget process, beginning January 15, 2009, the Department of Taxes and the Joint Fiscal Office shall file with the House Committees on Ways and Means and on Appropriations and the Senate Committees on Finance and on Appropriations a report on tax expenditures in the personal and corporate income taxes, sales and use tax, and meals and rooms tax, insurance premium tax, bank franchise tax, education property tax, diesel fuel tax, gasoline tax, motor vehicle purchase and use tax, ~~and such other tax expenditures for which the Joint Fiscal Office and the Department of Taxes jointly have produced revenue estimates.~~ The Office of Legislative Council shall also be available to assist with this tax expenditure report. The report shall include, for each tax expenditure, the following information:

(1) ~~A~~ a description of the tax expenditure;

(2) ~~The~~ the most recent fiscal information available on the direct cost of the tax expenditure in the past two years;

(3) ~~The~~ the date of enactment of the expenditure;

(4) ~~A~~ a description of and estimate of the number of taxpayers directly benefiting from the expenditure provision;



(5) a description of the statutory purpose explaining the policy goal behind the expenditure as required by subsection (d) of this section and 2013 Acts and Resolves No.73, Sec. 5; and

(6) a compilation of the items excluded under subsection (a) of this section.

(c) [Deleted.]

(d) Every tax expenditure, as defined in subsection (a) of this section, in the tax expenditure report required by this section shall be accompanied in statute by a statutory purpose explaining the policy goal behind the exemption, exclusion, deduction, or credit applicable to the tax. The statutory purpose shall appear as a separate subsection or subdivision in statute and shall bear the title “Statutory Purpose.” Notwithstanding any other provision of law, a tax expenditure listed in the tax expenditure report that lacks a statutory purpose in statute shall not be implemented or enforced until a statutory purpose is provided. The Department of Taxes shall notify the General Assembly when it has determined that a tax expenditure listed in the tax expenditure report lacks a statutory purpose, and the Department shall specify a date, no later than one year after its determination, that it will cease implementation or enforcement of the tax expenditure.

Sec. 21a. 32 V.S.A. § 3802(5) is amended to read:

(5) Real and personal property held by and for the benefit of college fraternities and societies and corporations owning such property, but this exemption shall not apply to property held for investment purposes. The exemption from taxation of real and personal property held by and for the benefit of college fraternities and societies and corporations owning such property shall not be construed as exempting lands, buildings, or property other than a fraternity or society house, the land occupied thereby, the land adjacent thereto and used as a lawn, playground, or garden, and the household furniture, and equipment in actual use in such fraternity or society house. In the event that a fraternity or society loses its charter from the affiliated national organization or university, the fraternity or society shall automatically and immediately be ineligible for the exemption.

Sec. 21b. Sec. 36(b) of H.735 of 2014 as enacted is amended to read:

(b) Secs. 31 and 32 (apiaries) shall take effect on ~~July 1, 2015~~ July 1, 2014.

\* \* \* Repeals \* \* \*

Sec. 22. REPEALS

The following are repealed:

(1) 32 V.S.A. § 9741(39)(ii) (tax exemption on sales of building materials in excess of \$250,000.00).

(2) 32 V.S.A. § 9771a (limitation of tax on telecommunications services).

(3) 2010 Acts and Resolves No. 160, Sec. 2(d) (requiring January 15, 2015 tax expenditure report to include list of federal tax expenditures).

(4) 32 V.S.A. § 3802(5) (college fraternities and societies exemption) is repealed on January 1, 2017.

\* \* \* Effective Date \* \* \*

#### Sec. 23. EFFECTIVE DATES

This act shall take effect on July 1, 2014 except that:

(1) Sec. 22(2) (Repeals; limitation of tax on telecommunications) is repealed on January 1, 2015; and

(2) Sec. 22(4) (Repeals; fraternities and societies tax exemption) is repealed on January 1, 2017.